

**State:** Pennsylvania **Filing Company:** United Security Assurance Company of Pennsylvania

**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified

**Product Name:** PA 2020 TQLTC-97 Rate Increase

**Project Name/Number:** /

## Filing at a Glance

Company: United Security Assurance Company of Pennsylvania

Product Name: PA 2020 TQLTC-97 Rate Increase

State: Pennsylvania

TOI: LTC03I Individual Long Term Care

Sub-TOI: LTC03I.001 Qualified

Filing Type: Rate - Other (Not M.U. or G.I. Product)

Date Submitted: 09/25/2020

SERFF Tr Num: USPA-132537056

SERFF Status: Closed-Approved

State Tr Num: USPA-132537056

State Status: Approved

Co Tr Num: PA 2020 TQLTC-97 RATE INCREASE

Implementation: On Approval

Date Requested:

Author(s): Martha Stephens, William Neugroschel, Marge Haley, Gary Hulet

Reviewer(s): Jim Lavery (primary)

Disposition Date: 10/26/2020

Disposition Status: Approved

Implementation Date:

### State Filing Description:

Proposed 20% increase on 37 policyholders of United Security Assurance LTC form TQLTC-97-U.

**State:** Pennsylvania **Filing Company:** United Security Assurance Company of Pennsylvania

**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified

**Product Name:** PA 2020 TQLTC-97 Rate Increase

**Project Name/Number:** /

## General Information

Project Name: Status of Filing in Domicile: Pending

Project Number: Date Approved in Domicile:

Requested Filing Mode: Review & Approval Domicile Status Comments: PA is domicile

Explanation for Combination/Other: Market Type: Individual

Submission Type: New Submission Individual Market Type:

Overall Rate Impact: 20% Filing Status Changed: 10/26/2020

State Status Changed: 10/26/2020

Deemer Date: Created By: Gary Hulet

Submitted By: Gary Hulet Corresponding Filing Tracking Number:

State TOI: LTC03I Individual Long Term Care

### Filing Description:

United Security Assurance Company of Pennsylvania is requesting a rate increase for the block of long-term care insurance issued by the Company from 1998 through 2007 in Pennsylvania.

Attached, please find the proposed rates, as well as an actuarial memorandum outlining the rationale for the requested rate increase.

## Company and Contact

### Filing Contact Information

Martha Stephens, Vice President of Operations  
673 Cherry Lane  
Souderton, PA 18964-1260

mstephens@usa-cal.com  
215-723-3044 [Phone] 124 [Ext]  
215-723-8036 [FAX]

### Filing Company Information

United Security Assurance Company of Pennsylvania  
673 Cherry Lane  
Souderton, PA 18964-1260  
(215) 723-3044 ext. [Phone]

CoCode: 42129  
Group Code:  
Group Name:  
FEIN Number: 23-2227246

State of Domicile: Pennsylvania  
Company Type: Life,  
Accident/Health  
State ID Number:

## Filing Fees

Fee Required? No

Retaliatory? No

Fee Explanation:

State:	Pennsylvania	Filing Company:	United Security Assurance Company of Pennsylvania
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	PA 2020 TQLTC-97 Rate Increase		
Project Name/Number:	/		

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Jim Lavery	10/26/2020	10/26/2020

### Objection Letters and Response Letters

#### Objection Letters

Status	Created By	Created On	Date Submitted
Disapproved	Jim Lavery	09/25/2020	09/25/2020

#### Response Letters

Responded By	Created On	Date Submitted
Gary Hulet	09/28/2020	09/28/2020

<b>State:</b>	Pennsylvania	<b>Filing Company:</b>	United Security Assurance Company of Pennsylvania
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	PA 2020 TQLTC-97 Rate Increase		
<b>Project Name/Number:</b>	/		

## Disposition

Disposition Date: 10/26/2020

Implementation Date:

Status: Approved

Comment: Oct 26, 2020

Martha Stephens, Vice President of Operations  
United Security Assurance Company of Pennsylvania  
673 Cherry Lane  
Souderton, PA 18964-1260

RE: Proposed 20% increase on 37 policyholders of United Security Assurance LTC form TQLTC-97-U.  
Pennsylvania Insurance Department ID # USPA-132537056

Dear Martha Stephens:

The Department approves a 20% increase on the above captioned forms.

Sincerely,

James Laverty, FSA, MAAA  
Actuary  
Bureau of Life, Accident and Health Insurance

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
United Security Assurance Company of Pennsylvania	20.000%	20.000%	\$13,495	37	\$67,477	20.000%	20.000%

<b>State:</b>	Pennsylvania	<b>Filing Company:</b>	United Security Assurance Company of Pennsylvania
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	PA 2020 TQLTC-97 Rate Increase		
<b>Project Name/Number:</b>	/		

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Transmittal Letter (A&H)		Yes
Supporting Document	Actuarial Certification (A&H)		Yes
Supporting Document	Actuarial Memorandum and Explanatory Information (A&H)		Yes
Supporting Document	Advertisements (A&H)		Yes
Supporting Document	Authorization to File (A&H)		Yes
Supporting Document	Insert Page Explanation (A&H)		Yes
Supporting Document	Rate Table (A&H)		Yes
Supporting Document	Replacement Form with Highlighted Changes (A&H)		Yes
Supporting Document	Advertisement Compliance Certification		Yes
Supporting Document	Reserve Calculation (A&H)		Yes
Supporting Document	Variability Explanation (A&H)		Yes
Supporting Document	Policyholder Rate Increase Notification Letter		Yes
Supporting Document	Response to 9-25-2020 Objection		Yes
Rate	Exhibit 12 Rates with 20% Increase		Yes

**State:** Pennsylvania **Filing Company:** United Security Assurance Company of Pennsylvania

**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified

**Product Name:** PA 2020 TQLTC-97 Rate Increase

**Project Name/Number:** /

## Objection Letter

Objection Letter Status Disapproved

Objection Letter Date 09/25/2020

Submitted Date 09/25/2020

Respond By Date

Dear Martha Stephens,

### Introduction:

Sept 25, 2020

Martha Stephens, Vice President of Operations  
United Security Assurance Company of Pennsylvania  
673 Cherry Lane  
Souderton, PA 18964-1260

RE: Proposed 20% increase on 37 policyholders of United Security Assurance LTC form TQLTC-97-U.  
Pennsylvania Insurance Department ID # USPA-132537056  
Dear Martha Stephens:

The captioned filing has been reviewed by the Pennsylvania Insurance Department. It has been determined that the filing fails to meet the requirements of our Insurance Company Laws or regulations and is therefore disapproved pursuant to the authority granted under Section 304(a) of Act 134, the Accident and Health Filing Reform Act. In the event you have any questions regarding the stated concerns, please feel free to contact the Department for further clarification.

The disapproved filing may be resubmitted within 120 days of the date of disapproval. If the Department does not hear from you within 120 days, the subject filing will be permanently closed. Such filings resubmitted after 120 days must be submitted as a new filing, inclusive of appropriate filing fees and disclosure of the closed filing SERFF tracking number.

Please furnish the following information to the Department.

1. Please provide a copy of the tables contained in this filing in an Excel workbook.
2. Please provide a table in an Excel spreadsheet (perhaps similar to Exhibit 3) which shows the historical and projected nationwide earned premium and incurred claims on a calendar year basis assuming no rate increase is granted. Please restate the historical and projected earned premium so that the business from inception appears to have all been earned at the current Pennsylvania rate level.
3. Of the 37 policies in force in PA, how many were issued after 9-15-2002?

Sincerely,

James Laverty, FSA, MAAA  
Actuary  
Bureau of Life, Accident and Health Insurance

### Conclusion:

**SERFF Tracking #:** USPA-132537056

**State Tracking #:** USPA-132537056

**Company Tracking #:** PA 2020 TQLTC-97 RATE  
INCREASE

**State:** Pennsylvania

**Filing Company:** United Security Assurance Company of  
Pennsylvania

**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified

**Product Name:** PA 2020 TQLTC-97 Rate Increase

**Project Name/Number:** /

Sincerely,  
Jim Lavery

<b>State:</b>	Pennsylvania	<b>Filing Company:</b>	United Security Assurance Company of Pennsylvania
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	PA 2020 TQLTC-97 Rate Increase		
<b>Project Name/Number:</b>	/		

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	09/28/2020
Submitted Date	09/28/2020

*Dear Jim Lavery,*

### **Introduction:**

### **Response 1**

#### **Comments:**

*Please see response and files included under Supporting Documents*

### **Changed Items:**

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Response to 9-25-2020 Objection
<b>Comments:</b>	
<b>Attachment(s):</b>	Objection Response 9-25-2020.pdf PA Exhibits 2020.xlsx PA Level Exhibit 3.xlsx

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

### **Conclusion:**

*Sincerely,  
Gary Hulet*



<b>State:</b>	Pennsylvania	<b>Filing Company:</b>	United Security Assurance Company of Pennsylvania
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	PA 2020 TQLTC-97 Rate Increase		
<b>Project Name/Number:</b>	/		

## Rate Information

Rate data applies to filing.

<b>Filing Method:</b>	SERFF
<b>Rate Change Type:</b>	Increase
<b>Overall Percentage of Last Rate Revision:</b>	20.000%
<b>Effective Date of Last Rate Revision:</b>	11/04/2019
<b>Filing Method of Last Filing:</b>	USPA-132078586
<b>SERFF Tracking Number of Last Filing:</b>	

## Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
United Security Assurance Company of Pennsylvania	20.000%	20.000%	\$13,495	37	\$67,477	20.000%	20.000%

<b>State:</b>	Pennsylvania	<b>Filing Company:</b>	United Security Assurance Company of Pennsylvania
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	PA 2020 TQLTC-97 Rate Increase		
<b>Project Name/Number:</b>	/		

## Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Exhibit 12 Rates with 20% Increase	TQLTC-97, LTC-HHC/R, LTCIF5, LTC-SBO, WR-97	Revised	Previous State Filing Number: USPA-132078586 Percent Rate Change Request: 20	Exhibit 12 TQLTC-97 wRI 20%.pdf,

Exhibit 12  
 United Security Assurance Company of PA  
 Policy Form Series TQLTC-97-U  
 Rate Sheet  
 Annual Premiums Per \$10 of Daily Benefit  
 Hospitalization Not Required - Level Benefit  
 Standard Class - 0 Day Elimination Period

Issue Age	Benefit Period					
	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	Life
18-59	32.83	53.57	65.66	74.30	82.94	129.60
60	39.74	65.66	77.76	86.40	95.04	136.51
61	43.20	69.12	81.22	89.86	100.22	139.97
62	44.93	72.58	84.67	95.04	103.68	141.70
63	50.11	79.49	95.04	107.14	117.50	153.79
64	55.30	88.13	105.41	119.23	129.60	165.89
65	60.48	95.04	115.78	131.33	143.42	177.98
66	65.66	103.68	126.14	143.42	155.52	191.81
67	70.85	112.32	136.51	155.52	169.34	203.90
68	81.22	127.87	155.52	177.98	195.26	233.28
69	91.58	143.42	174.53	198.72	219.46	262.66
70	100.22	160.70	193.54	219.46	245.38	293.76
71	110.59	176.26	212.54	241.92	271.30	323.14
72	120.96	193.54	229.82	262.66	297.22	354.24
73	139.97	219.46	266.11	302.40	336.96	402.62
74	157.25	247.10	300.67	342.14	378.43	452.74
75	172.80	274.75	335.23	381.89	419.90	501.12
76	190.08	300.67	371.52	421.63	459.65	551.23
77	207.36	328.32	406.08	461.38	501.12	599.62
78	231.55	366.34	451.01	513.22	559.87	668.74
79	255.74	404.35	495.94	566.78	618.62	737.86
80	279.94	442.37	540.86	620.35	675.65	806.98
81	304.13	480.38	585.79	673.92	734.40	876.10
82	328.32	518.40	632.45	725.76	793.15	945.22
83	368.06	578.88	701.57	810.43	884.74	1,054.08
84	404.35	637.63	772.42	893.38	976.32	1,162.94
85	442.37	698.11	841.54	978.05	1,069.63	1,271.81
86	480.38	756.86	912.38	1,062.72	1,161.22	1,380.67
87	518.40	817.34	981.50	1,145.66	1,252.80	1,489.54
88	547.78	862.27	1,036.80	1,214.78	1,315.01	1,562.11
89	577.15	907.20	1,090.37	1,282.18	1,377.22	1,632.96
90-94	658.37	1,040.26	1,254.53	1,486.08	1,565.57	1,848.96
95-99	711.94	1,135.30	1,378.94	1,665.79	1,689.98	1,995.84

Exhibit 12  
 United Security Assurance Company of PA  
 Policy Form Series TQLTC-97-U  
 Rider Form Series: LTCIF5-U Compound Inflation  
 Rate Sheet  
 Annual Premiums Per \$10 of Daily Benefit  
 Hospitalization Not Required - Increasing Benefit  
 Standard Class - 0 Day Elimination Period

Issue Age	Benefit Period					
	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	Life
18-59	58.75	95.04	120.96	139.97	153.79	250.56
60	69.12	112.32	141.70	162.43	177.98	266.11
61	74.30	119.23	148.61	169.34	186.62	271.30
62	77.76	124.42	155.52	176.26	195.26	276.48
63	86.40	138.24	172.80	195.26	219.46	302.40
64	95.04	152.06	188.35	214.27	243.65	328.32
65	103.68	164.16	205.63	233.28	269.57	352.51
66	112.32	177.98	221.18	250.56	293.76	378.43
67	120.96	191.81	238.46	269.57	317.95	404.35
68	133.06	212.54	262.66	297.22	349.06	442.37
69	146.88	233.28	285.12	324.86	380.16	480.38
70	160.70	254.02	309.31	350.78	411.26	518.40
71	172.80	276.48	333.50	378.43	442.37	556.42
72	186.62	297.22	357.70	406.08	473.47	596.16
73	207.36	326.59	392.26	447.55	521.86	653.18
74	226.37	355.97	428.54	490.75	571.97	710.21
75	241.92	387.07	464.83	533.95	620.35	767.23
76	262.66	416.45	501.12	577.15	668.74	824.26
77	281.66	445.82	537.41	620.35	717.12	881.28
78	307.58	485.57	594.43	684.29	781.06	959.04
79	331.78	525.31	649.73	748.22	844.99	1,036.80
80	357.70	565.06	706.75	812.16	908.93	1,114.56
81	381.89	604.80	763.78	876.10	971.14	1,194.05
82	407.81	644.54	820.80	940.03	1,035.07	1,271.81
83	444.10	698.11	902.02	1,031.62	1,121.47	1,377.22
84	476.93	751.68	983.23	1,123.20	1,207.87	1,482.62
85	511.49	805.25	1,064.45	1,214.78	1,292.54	1,588.03
86	544.32	858.82	1,147.39	1,306.37	1,378.94	1,695.17
87	578.88	914.11	1,228.61	1,397.95	1,465.34	1,800.58
88	611.71	962.50	1,296.00	1,482.62	1,537.92	1,886.98
89	644.54	1,012.61	1,365.12	1,565.57	1,610.50	1,973.38
90-94	736.13	1,162.94	1,569.02	1,814.40	1,829.95	2,234.30
95-99	794.88	1,268.35	1,726.27	2,032.13	2,128.90	2,412.29

Exhibit 12  
 United Security Assurance Company of PA  
 Policy Form Series TQLTC-97-U  
 Rider Form Series: LTC-HHC/R-U Home Health Care  
 Rate Sheet  
 Annual Premiums: \$10 of Daily Long Term Care Benefit  
 \$10 Daily Home Health Care  
 Hospitalization Not Required - Level Benefit  
 Standard Class - 0 Day Elimination Period

Issue	Benefit Period					
Age	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	Life
18-59	46.66	76.03	95.04	110.59	119.23	174.53
60	55.30	89.86	110.59	127.87	138.24	186.62
61	58.75	95.04	115.78	133.06	143.42	190.08
62	62.21	100.22	122.69	139.97	150.34	193.54
63	70.85	112.32	138.24	157.25	169.34	219.46
64	77.76	124.42	153.79	174.53	188.35	243.65
65	86.40	136.51	169.34	191.81	209.09	267.84
66	93.31	148.61	184.90	209.09	228.10	293.76
67	101.95	160.70	200.45	226.37	247.10	319.68
68	115.78	183.17	224.64	255.74	279.94	361.15
69	127.87	203.90	250.56	285.12	311.04	400.90
70	141.70	226.37	276.48	314.50	343.87	442.37
71	155.52	247.10	300.67	343.87	376.70	483.84
72	169.34	269.57	326.59	373.25	409.54	525.31
73	193.54	305.86	374.98	430.27	471.74	603.07
74	216.00	340.42	423.36	485.57	533.95	679.10
75	236.74	376.70	473.47	542.59	596.16	756.86
76	259.20	411.26	521.86	599.62	658.37	832.90
77	283.39	447.55	570.24	656.64	720.58	910.66
78	319.68	504.58	637.63	734.40	806.98	1,017.79
79	352.51	559.87	706.75	812.16	891.65	1,126.66
80	390.53	615.17	774.14	889.92	978.05	1,233.79
81	425.09	672.19	843.26	967.68	1,062.72	1,340.93
82	461.38	729.22	910.66	1,045.44	1,149.12	1,449.79
83	520.13	819.07	1,019.52	1,169.86	1,285.63	1,622.59
84	577.15	910.66	1,128.38	1,294.27	1,422.14	1,793.66
85	635.90	1,002.24	1,237.25	1,418.69	1,558.66	1,966.46
86	692.93	1,092.10	1,346.11	1,541.38	1,695.17	2,137.54
87	751.68	1,183.68	1,454.98	1,665.79	1,829.95	2,308.61
88	793.15	1,247.62	1,534.46	1,764.29	1,921.54	2,419.20
89	836.35	1,315.01	1,619.14	1,867.97	2,016.58	2,534.98
90-94	953.86	1,508.54	1,859.33	2,163.46	2,287.87	2,866.75
95-99	1,007.42	1,605.31	1,999.30	2,367.36	2,414.02	3,030.91

Exhibit 12  
 United Security Assurance Company of PA  
 Policy Form Series TQLTC-97-U  
 Rider Form Series: LTCIF5-U Compound Inflation  
 Rider Form Series: LTC-HHC/R-U Home Health Care  
 Rate Sheet  
 Annual Premiums: \$10 of Daily Long Term Care Benefit  
 \$10 Daily Home Health Care Benefit  
 Hospitalization Not Required - Increasing Benefit  
 Standard Class - 0 Day Elimination Period

Issue Age	Benefit Period					
	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	Life
18-59	81.22	131.33	172.80	203.90	224.64	338.69
60	96.77	157.25	202.18	236.74	259.20	361.15
61	101.95	165.89	212.54	247.10	271.30	368.06
62	107.14	172.80	222.91	259.20	281.66	374.98
63	120.96	193.54	247.10	285.12	317.95	426.82
64	133.06	214.27	271.30	311.04	354.24	478.66
65	146.88	233.28	297.22	338.69	390.53	530.50
66	158.98	254.02	321.41	364.61	426.82	582.34
67	172.80	274.75	345.60	392.26	463.10	632.45
68	190.08	302.40	376.70	428.54	501.12	682.56
69	207.36	330.05	409.54	464.83	539.14	732.67
70	224.64	357.70	440.64	501.12	577.15	782.78
71	241.92	385.34	471.74	539.14	615.17	832.90
72	259.20	412.99	504.58	575.42	653.18	883.01
73	286.85	452.74	554.69	635.90	729.22	974.59
74	311.04	490.75	603.07	698.11	803.52	1,064.45
75	333.50	530.50	653.18	758.59	879.55	1,156.03
76	359.42	570.24	703.30	820.80	953.86	1,247.62
77	383.62	608.26	751.68	881.28	1,029.89	1,337.47
78	423.36	667.01	838.08	976.32	1,123.20	1,460.16
79	457.92	727.49	922.75	1,069.63	1,218.24	1,582.85
80	497.66	786.24	1,009.15	1,162.94	1,311.55	1,703.81
81	533.95	844.99	1,093.82	1,256.26	1,406.59	1,826.50
82	571.97	903.74	1,178.50	1,349.57	1,499.90	1,949.18
83	627.26	986.69	1,306.37	1,486.08	1,629.50	2,115.07
84	677.38	1,069.63	1,432.51	1,620.86	1,759.10	2,282.69
85	730.94	1,150.85	1,558.66	1,757.38	1,886.98	2,448.58
86	782.78	1,233.79	1,686.53	1,892.16	2,016.58	2,616.19
87	834.62	1,316.74	1,812.67	2,026.94	2,146.18	2,782.08
88	883.01	1,387.58	1,912.90	2,147.90	2,253.31	2,916.86
89	929.66	1,460.16	2,014.85	2,268.86	2,358.72	3,051.65
90-94	1,060.99	1,676.16	2,315.52	2,630.02	2,680.13	3,454.27
95-99	1,145.66	1,826.50	2,547.07	2,946.24	3,119.04	3,729.02

Exhibit 12  
 United Security Assurance Company of PA  
 Policy Form Series TQLTC-97-U  
 Rider Form Series: LTC-HHC/R-U Home Health Care  
 Rate Sheet  
 Annual Premiums: \$10 of Daily Long Term Care Benefit  
 \$5 Daily Home Health Care Benefit  
 Hospitalization Not Required - Level Benefit  
 Standard Class - 0 Day Elimination Period

Issue	Benefit Period					
Age	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	Life
18-59	39.74	63.94	77.76	89.86	98.50	148.61
60	46.66	76.03	91.58	103.68	114.05	157.25
61	50.11	79.49	95.04	108.86	117.50	160.70
62	51.84	82.94	100.22	112.32	122.69	164.16
63	58.75	93.31	112.32	127.87	138.24	181.44
64	63.94	103.68	126.14	141.70	155.52	198.72
65	70.85	112.32	138.24	157.25	171.07	216.00
66	77.76	122.69	150.34	171.07	186.62	233.28
67	82.94	133.06	164.16	184.90	202.18	252.29
68	95.04	150.34	184.90	210.82	229.82	286.85
69	107.14	169.34	205.63	235.01	259.20	321.41
70	117.50	188.35	228.10	259.20	286.85	355.97
71	129.60	205.63	248.83	283.39	314.50	390.53
72	141.70	224.64	269.57	309.31	343.87	425.09
73	162.43	255.74	311.04	355.97	393.98	485.57
74	181.44	286.85	352.51	402.62	442.37	547.78
75	198.72	316.22	392.26	449.28	492.48	608.26
76	219.46	347.33	433.73	495.94	542.59	668.74
77	238.46	378.43	475.20	542.59	592.70	729.22
78	267.84	423.36	528.77	604.80	661.82	813.89
79	295.49	470.02	584.06	668.74	732.67	900.29
80	324.86	514.94	639.36	732.67	801.79	984.96
81	354.24	559.87	692.93	796.61	870.91	1,071.36
82	383.62	606.53	748.22	858.82	941.76	1,156.03
83	432.00	679.10	834.62	960.77	1,052.35	1,290.82
84	476.93	751.68	921.02	1,060.99	1,162.94	1,427.33
85	523.58	824.26	1,007.42	1,161.22	1,273.54	1,562.11
86	568.51	896.83	1,093.82	1,263.17	1,384.13	1,693.44
87	615.17	971.14	1,180.22	1,363.39	1,494.72	1,833.41
88	651.46	1,022.98	1,244.16	1,444.61	1,569.02	1,921.54
89	684.29	1,076.54	1,309.82	1,525.82	1,643.33	2,009.66
90-94	781.06	1,235.52	1,506.82	1,769.47	1,866.24	2,274.05
95-99	844.99	1,347.84	1,657.15	1,982.02	2,014.85	2,455.49

Exhibit 12  
 United Security Assurance Company of PA  
 Policy Form Series TQLTC-97-U  
 Rider Form Series: LTCIF5-U Compound Inflation  
 Rider Form Series: LTC-HHC/R-U Home Health Care  
 Rate Sheet  
 Annual Premiums: \$10 of Daily Long Term Care Benefit  
 \$5 Daily Home Health Care Benefit  
 Hospitalization Not Required - Increasing Benefit  
 Standard Class - 0 Day Elimination Period

Issue Age	Benefit Period					
	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	Life
18-59	67.39	110.59	141.70	165.89	184.90	286.85
60	81.22	131.33	167.62	191.81	212.54	305.86
61	86.40	138.24	174.53	200.45	222.91	311.04
62	89.86	145.15	183.17	210.82	231.55	317.95
63	100.22	160.70	203.90	231.55	260.93	354.24
64	110.59	177.98	222.91	254.02	290.30	390.53
65	120.96	193.54	243.65	276.48	319.68	426.82
66	131.33	209.09	262.66	298.94	349.06	464.83
67	141.70	224.64	283.39	321.41	378.43	501.12
68	157.25	248.83	309.31	352.51	412.99	544.32
69	172.80	273.02	336.96	383.62	447.55	587.52
70	186.62	297.22	364.61	414.72	482.11	630.72
71	202.18	321.41	392.26	445.82	514.94	673.92
72	217.73	345.60	418.18	476.93	549.50	717.12
73	240.19	380.16	461.38	527.04	608.26	787.97
74	262.66	412.99	502.85	578.88	668.74	858.82
75	281.66	447.55	544.32	628.99	729.22	931.39
76	304.13	482.11	585.79	679.10	787.97	1,002.24
77	324.86	514.94	627.26	730.94	848.45	1,074.82
78	355.97	563.33	696.38	806.98	924.48	1,169.86
79	385.34	609.98	765.50	883.01	1,002.24	1,266.62
80	416.45	658.37	832.90	959.04	1,080.00	1,363.39
81	445.82	705.02	902.02	1,036.80	1,154.30	1,460.16
82	476.93	753.41	971.14	1,112.83	1,232.06	1,556.93
83	520.13	819.07	1,071.36	1,221.70	1,335.74	1,686.53
84	559.87	884.74	1,171.58	1,332.29	1,441.15	1,817.86
85	603.07	948.67	1,271.81	1,441.15	1,544.83	1,949.18
86	642.82	1,014.34	1,372.03	1,551.74	1,650.24	2,080.51
87	686.02	1,080.00	1,472.26	1,660.61	1,753.92	2,211.84
88	724.03	1,140.48	1,553.47	1,760.83	1,842.05	2,317.25
89	762.05	1,199.23	1,634.69	1,859.33	1,928.45	2,424.38
90-94	870.91	1,375.49	1,880.06	2,154.82	2,191.10	2,744.06
95-99	940.03	1,499.90	2,068.42	2,414.02	2,548.80	2,963.52



Exhibit 12  
 United Security Assurance Company of PA  
 Rider Form Series: LTC-SBO-U  
 Non-Forfeiture Shortened Benefit Period  
 Rate Sheet

Issue Age	SBP % of Base Prem + Other Riders
62 & Under	24.0%
63	24.0%
64	24.0%
65	24.0%
66	24.0%
67	24.0%
68	23.7%
69	23.4%
70	23.1%
71	22.8%
72	22.5%
73	22.0%
74	21.5%
75	21.0%
76	20.5%
77	20.0%
78	19.6%
79	19.2%
80	18.8%
81	18.4%
82	18.0%
83	17.8%
84	17.6%
85	17.4%
86	17.2%
87 & Over	17.0%

Exhibit 12  
United Security Assurance Company of PA  
Policy Form Series LTC-97-U, TQLTC-97-U  
Rider Form Series: WR-97-U  
Waiver of Premium and Restoration of Benefits  
Rider Annual Premium for \$100 of annual premium

<u>Issue Age</u>	<u>Premium</u>
18-99	\$5.00

The rider premium of \$5 per \$100 is applied to the annual premium for the base policy and any riders attached to the base policy, excluding non-forfeiture riders.

Exhibit 12  
 United Security Assurance Company of PA  
 Policy Form Series TQLTC-97-U  
 Rider Form Series: LTC-HHC/R-U Home Health Care  
 Rider Form Series: LTCIF5-U Compound Inflation  
 Rider Form Series: WR-97-U Waiver of Premium/Restoration  
 Rider Form Series: LTC-SBO-U Non-Forfeiture Option

RATE SCHEDULE

I. Other Rate Classifications

Preferred/Standard	=	100%
Class 1	=	140%
Class 2	=	200%

II. Husband and Wife Discount

If the husband and wife are covered simultaneously, a 10% discount is applied to the insured with the higher premium.

III. Policy Fee (One time): \$ 25.00

IV. Premium Paid Other Than Annual

Semi-Annual	52.0%
Quarterly	26.5%
Monthly	9.0%
Monthly Bank Draft	8.5%

V. Elimination Periods      Discount

20 Days	5%
100 Days	15%

<b>State:</b>	Pennsylvania	<b>Filing Company:</b>	United Security Assurance Company of Pennsylvania
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	PA 2020 TQLTC-97 Rate Increase		
<b>Project Name/Number:</b>	/		

## Supporting Document Schedules

<b>Satisfied - Item:</b>	Transmittal Letter (A&H)
<b>Comments:</b>	
<b>Attachment(s):</b>	2020 PA TQLTC-97 Rate Increase Submission Letter.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Actuarial Certification (A&H)
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Memorandum and Explanatory Information (A&H)
<b>Comments:</b>	
<b>Attachment(s):</b>	TQLTC-97 PA Exhibits 2020.pdf USA 2020 PA Rate Increase Memo Form TQLTC-97.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Advertisements (A&H)
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Authorization to File (A&H)
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Insert Page Explanation (A&H)
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	

<b>State:</b>	Pennsylvania	<b>Filing Company:</b>	United Security Assurance Company of Pennsylvania
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	PA 2020 TQLTC-97 Rate Increase		
<b>Project Name/Number:</b>	/		

<b>Status Date:</b>	
<b>Bypassed - Item:</b>	Rate Table (A&H)
<b>Bypass Reason:</b>	See rate tab for revised rates. Not new forms
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Bypassed - Item:</b>	Replacement Form with Highlighted Changes (A&H)
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Bypassed - Item:</b>	Advertisement Compliance Certification
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Bypassed - Item:</b>	Reserve Calculation (A&H)
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Bypassed - Item:</b>	Variability Explanation (A&H)
<b>Bypass Reason:</b>	No variables
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Policyholder Rate Increase Notification Letter
<b>Comments:</b>	
<b>Attachment(s):</b>	PA policyholder notification Letter.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>State:</b>	Pennsylvania	<b>Filing Company:</b>	United Security Assurance Company of Pennsylvania
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	PA 2020 TQLTC-97 Rate Increase		
<b>Project Name/Number:</b>	/		

<b>Satisfied - Item:</b>	Response to 9-25-2020 Objection
<b>Comments:</b>	
<b>Attachment(s):</b>	Objection Response 9-25-2020.pdf PA Exhibits 2020.xlsx PA Level Exhibit 3.xlsx
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>SERFF Tracking #:</b>	USPA-132537056	<b>State Tracking #:</b>	USPA-132537056	<b>Company Tracking #:</b>	PA 2020 TQLTC-97 RATE INCREASE
<hr/>					
<b>State:</b>	Pennsylvania			<b>Filing Company:</b>	United Security Assurance Company of Pennsylvania
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified				
<b>Product Name:</b>	PA 2020 TQLTC-97 Rate Increase				
<b>Project Name/Number:</b>	/				

***Attachment PA Exhibits 2020.xlsx is not a PDF document and cannot be reproduced here.***

***Attachment PA Level Exhibit 3.xlsx is not a PDF document and cannot be reproduced here.***

# United Security Assurance Company of Pennsylvania

673 East Cherry Lane, P.O. Box 64477,  
Souderton, Pennsylvania 18964  
(800) 872-3044

September 25, 2020

Jessica Altman, Commissioner  
Pennsylvania Insurance Department  
1326 Strawberry Square  
Harrisburg, PA 17120

**RE: United Security Assurance Company of Pennsylvania – NAIC # 42129**  
Rate Increase Request for Long Term Care Policy Form TQLTC-97(PA)-U

Dear Commissioner Altman:

United Security Assurance Company of Pennsylvania is requesting a rate increase for the block of long-term care insurance issued from 1997 through 2013. This is a closed block of business as these forms are no longer offered in any jurisdiction.

The Policy Form is TQLTC-97(PA)-U and Rider Forms LTC-HHC/R-U, LTCIF5-U, LTC-SBO-U, WR-97.

We are filing the proposed rates, as well as an actuarial memorandum with exhibits outlining the rationale for the requested rate increase.

Thank you for your consideration of this filing. Please do not hesitate to contact me at the number listed below if I can be of any assistance during your review.

Sincerely,



Martha Stephens  
Vice President, Operations  
Phone: (215) 723-3044, ext. 124  
E-Mail: mstephens@usa-cal.com



## Exhibit 1

United Security Assurance Company of PA  
Forms LTC-97 and TQLTC-97  
Nationwide (as of 12/31/2019)

<u>Model Issue Age</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent of AP</u>
< 55	28	44,434	4.15%
55-59	55	82,379	7.68%
60-64	127	215,172	20.07%
65-69	145	266,760	24.89%
70-74	111	245,596	22.91%
75-79	53	145,533	13.58%
<u>&gt; 80</u>	<u>22</u>	<u>72,082</u>	<u>6.72%</u>
Total	541	1,071,957	66.6 avg age

<u>Attained Age</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent of AP</u>
< 50	1	1,232	0.11%
50-59	1	1,377	0.13%
60-69	30	52,388	4.89%
70-79	163	279,980	26.12%
80-89	285	577,511	53.87%
90-99	59	155,518	14.51%
<u>&gt; 99</u>	<u>2</u>	<u>3,952</u>	<u>0.00%</u>
Total	541	1,071,957	81.9 avg age

<u>Benefit Period</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent of AP</u>
1 Year	37	36,139	3.37%
2 Year	145	235,038	21.93%
3 Year	191	403,392	37.63%
4 Year	51	121,106	11.30%
5 Year	85	216,142	20.16%
<u>Lifetime</u>	<u>32</u>	<u>60,141</u>	<u>5.61%</u>
Total	541	1,071,957	8.7 avg BP

<u>Elimination Period</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent of AP</u>
0 Days	139	247,448	23.08%
20 Days	98	189,229	17.65%
<u>100 Days</u>	<u>304</u>	<u>635,280</u>	<u>59.26%</u>
Total	541	1,071,957	59.8 avg EP

<u>Inflation Option</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent of AP</u>
None	355	653,500	60.96%
5% Compound (20 years)	130	294,554	27.48%
<u>5% Compound (lifetime)</u>	<u>56</u>	<u>123,904</u>	<u>11.56%</u>
Total	541	1,071,957	

<u>HHC Benefit</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent of AP</u>
No	520	1,071,101	99.92%
<u>Yes</u>	<u>21</u>	<u>856</u>	<u>0.08%</u>
Total	541	1,071,957	

Exhibit 1  
 United Security Assurance Company of PA  
 Forms LTC-97 and TQLTC-97  
 Nationwide (as of 12/31/2019)

<u>Current Daily Benefit</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent of AP</u>
< 50	22	26,940	2.51%
50-59	54	78,082	7.28%
60-69	17	20,802	1.94%
70-79	36	60,646	5.66%
80-89	51	106,611	9.95%
90-99	23	41,643	3.88%
100-109	214	448,893	41.88%
110-119	17	28,948	2.70%
120-129	35	71,274	6.65%
130-139	11	35,986	3.36%
140-149	5	16,785	1.57%
150-159	38	111,410	10.39%
160-169	-	-	0.00%
170-179	2	4,500	0.42%
180-189	8	11,302	1.05%
190-199	-	-	0.00%
200-209	6	5,698	0.53%
250-259	2	2,437	0.23%
<u>&gt; 259</u>	-	-	<u>0.00%</u>
Total	541	1,071,957	93.4 avg DB

<u>Policy Form</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent of AP</u>
LTC-97	269	305,469	28.50%
TQLTC-97	272	447,082	41.71%
LTCIF	-	153,485	14.32%
LTCHHC	-	856	0.08%
LTRI	-	62,346	5.82%
WR	-	30,773	2.87%
TQRI	-	69,789	6.51%
<u>TQWR</u>	-	<u>2,159</u>	<u>0.20%</u>
Total	541	1,071,957	

<u>UWC</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent of AP</u>
Preferred	165	256,756	23.95%
Standard	2	5,130	0.48%
Class 1	179	377,492	35.22%
<u>Class 2</u>	195	<u>432,580</u>	<u>40.35%</u>
Total	541	1,071,957	

<u>Claim Incurred Age</u>	<u>Policy Count</u>	<u>Percent</u>
< 60	-	0.00%
60-69	1	0.92%
70-79	11	10.09%
80-89	70	64.22%
90-99	26	23.85%
<u>&gt; 99</u>	1	<u>0.92%</u>
Total	109	Incurred Age Avg= 86.3

Exhibit 1A  
 United Security Assurance Company of PA  
 Form TQLTC-97-U  
 Pennsylvania (as of 12/31/2019)

<u>Model Issue Age</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent of AP</u>
< 55	2	3,790	5.62%
55-59	3	3,636	5.39%
60-64	6	12,366	18.33%
65-69	11	19,469	28.85%
70-74	11	22,277	33.02%
75-79	3	5,938	8.80%
> 80	1	-	0.00%
Total	37	67,477	67.3 avg age

<u>Attained Age</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent of AP</u>
< 50	-	-	0.00%
50-59	-	-	0.00%
60-69	2	2,313	3.43%
70-79	7	13,158	19.50%
80-89	24	46,067	68.27%
90-99	3	5,938	8.80%
> 99	1	-	0.00%
Total	37	67,477	83.7 avg age

<u>Benefit Period</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent of AP</u>
1 Year	7	5,228	7.75%
2 Year	13	23,602	34.98%
3 Year	13	30,812	45.66%
4 Year	2	5,387	7.98%
5 Year	2	2,448	3.63%
Lifetime	-	-	0.00%
Total	37	67,477	2.4 avg BP

<u>Elimination Period</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent of AP</u>
0 Days	20	26,362	39.07%
20 Days	2	3,356	4.97%
100 Days	15	37,758	55.96%
Total	37	67,477	41.6 avg EP

<u>Inflation Option</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent of AP</u>
None	21	31,221	46.29%
5% Compound (20 years)	16	36,225	53.71%
5% Compound (lifetime)	-	-	0.00%
Total	37	67,447	

<u>HHC Benefit</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent of AP</u>
No	15	14,852	100.00%
Yes	22	52,624	0.00%
Total	37	67,477	

Exhibit 1A  
 United Security Assurance Company of PA  
 Form TQLTC-97-U  
 Pennsylvania (as of 12/31/2019)

<u>Current Daily Benefit</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent of AP</u>
< 50	1	1,837	2.72%
50-59	1	774	1.15%
60-69	2	1,029	1.53%
70-79	1	4,102	6.08%
80-89	-	-	0.00%
90-99	1	1,600	2.37%
100-109	18	30,553	45.28%
110-119	5	4,813	7.13%
120-129	1	1,477	2.19%
130-139	1	5,241	7.77%
140-149	1	3,455	5.12%
150-159	3	6,691	9.92%
160-169	-	-	0.00%
170-179	-	-	0.00%
180-189	2	5,905	8.75%
190-199	-	-	0.00%
200-209	-	-	0.00%
250-259	-	-	0.00%
> 259	-	-	0.00%
Total	37	67,477	106.8 avg DB

<u>Policy Form</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent of AP</u>
LTC-97	-	-	0.00%
TQLTC-97	37	40,819	60.49%
LTCIF	-	10,697	15.85%
LTCHHC	-	699	1.04%
LTRI	-	-	0.00%
WR	-	-	0.00%
TQRI	-	12,765	18.92%
TQWR	-	2,497	0.00%
Total	37	67,477	

<u>UWC</u>	<u>Policy Count</u>	<u>Annual Premium</u>	<u>Percent of AP</u>
Preferred	17	26,051	38.61%
Standard	-	-	0.00%
Class 1	10	18,533	27.47%
Class 2	10	22,893	33.93%
Total	37	67,477	

<u>Incurred Age</u>	<u>Policy Count</u>	<u>Percent</u>
< 60	-	0.00%
60-69	1	10.00%
70-79	2	20.00%
80-89	5	50.00%
90-99	2	20.00%
> 99	-	0.00%
Total	10	Incurred Age Avg= 85.4

## Exhibit 2A

United Security Assurance Company of PA  
 Projection of Premiums, Claims  
 Policy Form Series: TQLTC-97-U  
 With Riders: LTCIF5-U Compound Inflation  
 LTC-HHC/R-U Home Health Care and  
 LTC-SBO Non-Forfeiture Option and  
 LTC-SBO Non-Forfeiture Option  
 Issue Age: Composite  
 Benefit Period: Composite  
 Interest Rate: 5.0%

YEAR	PROJ PREM	PROJ CLAIMS	LOSS RATIO
1	1,545.88	345.37	22.3%
2	1,120.11	339.49	30.3%
3	852.25	341.67	40.1%
4	670.47	353.85	52.8%
5	544.62	355.10	65.2%
6	461.62	339.53	73.6%
7	393.71	332.08	84.3%
8	333.85	319.23	95.6%
9	281.38	317.64	112.9%
10	235.66	300.19	127.4%
11	196.10	285.08	145.4%
12	162.08	263.77	162.7%
13	133.04	241.40	181.4%
14	108.39	224.17	206.8%
15	87.62	202.28	230.9%
16	70.29	184.54	262.5%
17	55.94	161.71	289.1%
18	44.15	140.40	318.0%
19	34.54	121.93	353.0%
20	26.76	104.21	389.4%
21	20.54	89.73	436.9%
22	15.63	73.01	467.1%
23	11.77	58.81	499.7%
24	8.77	46.84	534.1%
25	6.46	36.85	570.4%
26	4.71	28.93	614.2%
27	3.39	22.22	655.5%
28	2.42	16.88	697.5%
29	1.70	12.63	742.9%
30	1.18	9.30	788.1%
31	0.81	6.75	833.3%
32	0.54	4.82	892.6%
33	0.36	3.44	955.6%
34	0.24	2.40	1000.0%
35	0.15	1.65	1100.0%
36	0.10	1.11	1110.0%
37	0.06	0.71	1183.3%
38	0.04	0.47	1175.0%
39	0.02	0.30	1500.0%
40	0.01	0.18	1800.0%
Totals	7,437.36	5,690.67	76.5%
<a href="#">PV@5%</a>	5,875.30	3,678.61	62.6%

## Exhibit 2B

United Security Assurance Company of PA  
 Projection of Premiums, Claims  
 Policy Form Series: TQLTC-97-U  
 Rider: WR-97-U Waiver of Prem/Restoration  
 Issue Age: Composite  
 Benefit Period: Composite  
 Interest Rate: 5.0%

YEAR	PROJ PREM	PROJ CLAIMS	LOSS RATIO
1	1,336.07	336.64	25.2%
2	966.82	326.25	33.7%
3	734.47	318.82	43.4%
4	576.93	325.45	56.4%
5	467.96	322.37	68.9%
6	396.12	304.91	77.0%
7	337.34	293.63	87.0%
8	285.59	277.78	97.3%
9	240.26	271.81	113.1%
10	200.83	252.20	125.6%
11	166.76	236.54	141.8%
12	137.53	214.64	156.1%
13	112.62	192.57	171.0%
14	91.53	175.34	191.6%
15	73.81	154.88	209.8%
16	59.06	139.11	235.5%
17	46.88	119.20	254.3%
18	36.90	101.17	274.2%
19	28.78	85.94	298.6%
20	22.23	71.68	322.4%
21	17.01	60.44	355.3%
22	12.90	49.15	381.0%
23	9.69	39.56	408.3%
24	7.20	31.55	438.2%
25	5.28	24.80	469.7%
26	3.84	19.49	507.6%
27	2.76	14.96	542.0%
28	1.96	11.36	579.6%
29	1.37	8.51	621.2%
30	0.95	6.26	658.9%
31	0.65	4.54	698.5%
32	0.43	3.24	753.5%
33	0.29	2.31	796.6%
34	0.19	1.62	852.6%
35	0.12	1.11	925.0%
36	0.08	0.75	937.5%
37	0.05	0.47	940.0%
38	0.03	0.31	1033.3%
39	0.02	0.20	1000.0%
40	0.01	0.12	1200.0%
Totals	6,383.32	4,801.68	75.2%
<a href="#">PV@5%</a>	5,050.81	3,195.67	63.3%

Exhibit 2C  
 United Security Assurance Company of PA  
 Projection of Premiums, Claims  
 Policy Form Series: TQLTC-97-U

Level Benefit

Issue Age: Composite  
 Benefit Period: Composite  
 Interest Rate: 5.0%

YEAR	PROJ PREM	PROJ CLAIMS	LOSS RATIO
1	1,272.45	317.30	24.9%
2	920.78	307.29	33.4%
3	699.50	300.01	42.9%
4	549.46	306.32	55.7%
5	445.67	303.27	68.0%
6	377.25	286.72	76.0%
7	321.28	275.92	85.9%
8	271.99	260.77	95.9%
9	228.82	255.11	111.5%
10	191.26	236.57	123.7%
11	158.82	221.86	139.7%
12	130.98	201.22	153.6%
13	107.26	180.40	168.2%
14	87.17	164.05	188.2%
15	70.30	144.88	206.1%
16	56.25	130.18	231.4%
17	44.64	111.55	249.9%
18	35.14	94.65	269.4%
19	27.41	80.25	292.8%
20	21.17	66.95	316.2%
21	16.20	56.49	348.7%
22	12.29	45.96	374.0%
23	9.23	37.02	401.1%
24	6.85	29.45	429.9%
25	5.03	23.16	460.4%
26	3.65	18.22	499.2%
27	2.62	14.00	534.4%
28	1.86	10.63	571.5%
29	1.31	7.95	606.9%
30	0.90	5.86	651.1%
31	0.62	4.25	685.5%
32	0.41	3.04	741.5%
33	0.27	2.17	803.7%
34	0.18	1.51	838.9%
35	0.12	1.04	866.7%
36	0.07	0.70	1000.0%
37	0.05	0.44	880.0%
38	0.03	0.29	966.7%
39	0.02	0.19	950.0%
40	0.01	0.12	1200.0%
Totals	6,079.32	4,507.76	74.1%
<a href="#">PV@5%</a>	4,810.28	3,002.18	62.4%

Exhibit 2D  
 United Security Assurance Company of PA  
 Projection of Premiums, Claims  
 Policy Form Series: TQLTC-97-U  
 With Rider: LTCIF5-U Compound Inflation

With Inflation

Issue Age: Composite  
 Benefit Period: Composite  
 Interest Rate: 5.0%

YEAR	PROJ PREM	PROJ CLAIMS	LOSS RATIO
1	1,789.53	317.30	17.7%
2	1,300.71	322.66	24.8%
3	992.52	330.76	33.3%
4	783.17	354.60	45.3%
5	638.16	368.62	57.8%
6	542.68	365.93	67.4%
7	464.36	369.76	79.6%
8	395.08	366.94	92.9%
9	334.11	376.92	112.8%
10	280.78	366.99	130.7%
11	234.46	361.39	154.1%
12	194.47	344.16	177.0%
13	160.20	323.98	202.2%
14	131.00	309.34	236.1%
15	106.31	286.85	269.8%
16	85.61	270.64	316.1%
17	68.39	243.50	356.0%
18	54.20	216.94	400.3%
19	42.56	193.14	453.8%
20	33.11	169.18	511.0%
21	25.53	149.88	587.1%
22	19.50	121.94	625.3%
23	14.75	98.19	665.7%
24	11.04	78.14	707.8%
25	8.17	61.46	752.3%
26	5.98	48.35	808.5%
27	4.33	37.15	858.0%
28	3.10	28.22	910.3%
29	2.19	21.10	963.5%
30	1.52	15.54	1022.4%
31	1.05	11.28	1074.3%
32	0.71	8.06	1135.2%
33	0.47	5.75	1223.4%
34	0.31	4.02	1296.8%
35	0.20	2.76	1380.0%
36	0.13	1.86	1430.8%
37	0.08	1.18	1475.0%
38	0.05	0.78	1560.0%
39	0.03	0.50	1666.7%
40	0.02	0.31	1550.0%
Totals	8,730.57	6,956.07	79.7%
<a href="#">PV@5%</a>	6,876.06	4,259.77	62.0%

## Exhibit 2E

United Security Assurance Company of PA  
 Projection of Premiums, Claims  
 Policy Form Series: TQLTC-97-U  
 With Rider: LTC-HHC/R-U Home Health Care  
 Level Benefit

Issue Age: Composite  
 Benefit Period: Composite  
 Interest Rate: 5.0%

YEAR	PROJ PREM	PROJ CLAIMS	LOSS RATIO
1	1,805.62	452.18	25.0%
2	1,306.04	439.34	33.6%
3	991.78	430.29	43.4%
4	778.77	441.12	56.6%
5	631.47	438.21	69.4%
6	534.37	410.58	76.8%
7	454.97	396.55	87.2%
8	385.09	376.11	97.7%
9	323.92	369.26	114.0%
10	270.72	343.56	126.9%
11	224.78	315.96	140.6%
12	185.37	287.54	155.1%
13	151.81	258.69	170.4%
14	123.40	236.13	191.4%
15	99.52	209.29	210.3%
16	79.65	183.85	230.8%
17	63.24	157.90	249.7%
18	49.80	134.31	269.7%
19	38.85	114.22	294.0%
20	30.03	95.58	318.3%
21	23.00	79.32	344.9%
22	17.45	64.60	370.2%
23	13.11	52.08	397.3%
24	9.75	41.51	425.7%
25	7.16	32.70	456.7%
26	5.21	25.49	489.3%
27	3.74	19.59	523.8%
28	2.66	14.88	559.4%
29	1.87	11.13	595.2%
30	1.29	8.20	635.7%
31	0.88	5.95	676.1%
32	0.59	4.25	720.3%
33	0.39	3.03	776.9%
34	0.26	2.12	815.4%
35	0.17	1.46	858.8%
36	0.10	0.98	980.0%
37	0.06	0.62	1033.3%
38	0.04	0.41	1025.0%
39	0.02	0.26	1300.0%
40	0.01	0.16	1600.0%
Totals	8,616.96	6,459.41	75.0%
<a href="#">PV@5%</a>	6,819.05	4,305.66	63.1%

## Exhibit 2F

United Security Assurance Company of PA  
 Projection of Premiums, Claims  
 Policy Form Series: TQLTC-97-U  
 Rider: LTC-SBO-U Non-Forfeiture Option  
 Level Benefit

Issue Age: Composite  
 Benefit Period: Composite  
 Interest Rate: 5.0%

YEAR	PROJ PREM	PROJ CLAIMS	LOSS RATIO
1	348.81	-	0.0%
2	248.31	-	0.0%
3	192.30	170.07	88.4%
4	151.90	156.78	103.2%
5	122.29	125.56	102.7%
6	100.29	101.45	101.2%
7	83.66	86.26	103.1%
8	70.16	73.26	104.4%
9	59.13	58.72	99.3%
10	50.05	57.24	114.4%
11	42.54	51.63	121.4%
12	35.92	47.94	133.5%
13	30.13	44.28	147.0%
14	25.09	39.17	156.1%
15	20.74	35.00	168.8%
16	17.01	30.75	180.8%
17	13.85	27.00	194.9%
18	11.18	22.78	203.8%
19	8.95	19.66	219.7%
20	7.09	16.60	234.1%
21	5.58	13.87	248.6%
22	4.34	11.22	258.5%
23	3.35	9.40	280.6%
24	2.56	7.68	300.0%
25	1.93	5.99	310.4%
26	1.44	4.81	334.0%
27	1.06	3.67	346.2%
28	0.78	2.85	365.4%
29	0.56	2.18	389.3%
30	0.40	1.62	405.0%
31	0.28	1.17	417.9%
32	0.19	0.86	452.6%
33	0.13	0.62	476.9%
34	0.09	0.43	483.0%
35	0.06	0.30	500.0%
36	0.04	0.20	526.3%
37	0.02	0.13	546.9%
38	0.02	0.09	558.2%
39	0.01	0.06	604.0%
40	0.01	0.03	620.0%
Totals	1,662.24	1,231.34	74.1%
<a href="#">PV@5%</a>	1,310.37	820.99	62.7%

Exhibit 3  
 United Security Assurance Company of PA  
 Forms LTC-97 and TQLTC-97  
 Nationwide Experience -No Rate Increase

	Cash	Earned	Paid	Incurred	Loss
<u>Year</u>	<u>Premium</u>	<u>Premium</u>	<u>Claims</u>	<u>Claims</u>	<u>Ratio</u>
1998	38,310	39,100	-	-	0.0%
1999	429,999	438,856	1,100	1,168	0.3%
2000	1,033,582	1,054,873	48,833	62,216	5.9%
2001	1,278,349	1,304,681	148,262	191,079	14.6%
2002	1,510,423	1,541,535	319,055	397,076	25.8%
2003	1,792,794	1,829,723	560,686	676,257	37.0%
2004	2,312,117	2,359,743	574,094	887,575	37.6%
2005	2,521,747	2,573,692	803,420	1,008,051	39.2%
2006	2,571,997	2,624,976	869,398	1,329,660	50.7%
2007	2,539,734	2,592,049	1,035,520	1,326,672	51.2%
2008	2,426,809	2,476,797	1,001,799	1,307,208	52.8%
2009	2,286,606	2,333,706	1,068,293	1,820,057	78.0%
2010	2,145,542	2,189,737	1,339,372	1,707,776	78.0%
2011	2,164,460	2,144,448	1,373,000	1,275,303	59.5%
2012	2,038,188	2,063,429	1,307,230	1,010,461	49.0%
2013	1,834,082	1,886,923	1,218,242	2,135,997	113.2%
2014	1,641,790	1,665,024	1,249,045	1,601,753	96.2%
2015	1,466,750	1,554,263	1,256,277	2,415,966	155.4%
2016	1,307,603	1,348,678	1,739,223	1,905,414	141.3%
2017	1,140,398	1,169,311	1,746,930	1,278,132	109.3%
2018	1,055,522	1,079,694	1,551,598	1,451,459	134.4%
2019	961,929	983,958	1,533,239	1,233,638	125.4%
Cumulative @ 4.35%		60,183,057		35,944,415	59.7%
2020		873,351		1,240,310	142.0%
2021		771,549		1,263,838	163.8%
2022		678,371		1,275,958	188.1%
2023		593,587		1,245,542	209.8%
2024		516,908		1,206,464	233.4%
2025		448,024		1,153,841	257.5%
2026		386,652		1,096,356	283.6%
2027		332,167		1,037,642	312.4%
2028		284,100		973,286	342.6%
2029		241,944		911,842	376.9%
2030		205,191		842,290	410.5%
2031		173,319		775,899	447.7%
2032		145,802		708,103	485.7%
2033		122,165		641,586	525.2%
2034		101,967		583,564	572.3%
2035		84,792		521,634	615.2%
2036		70,251		461,871	657.5%
2037		57,988		408,737	704.9%
2038		47,697		360,743	756.3%
2039		39,099		314,574	804.6%
2040		31,950		273,572	856.2%
2041		26,029		235,728	905.6%
2042		21,143		201,240	951.8%
2043		17,131		170,855	997.3%
2044		13,855		143,902	1038.6%
2045		11,191		121,719	1087.6%
2046		9,036		101,285	1120.9%
2047		7,297		83,470	1143.9%
2048		5,900		68,107	1154.4%
2049		4,782		54,331	1136.2%
2050		3,892		44,357	1139.8%
2051		3,184		35,535	1115.9%
2052		2,624		28,152	1073.0%
PV of Future @ 4.35%		4,918,631		12,787,991	260.0%
Total		65,101,689		48,732,407	74.9%



Exhibit 3A  
United Security Assurance Company of PA  
Form TQLTC-97-U  
Pennsylvania Experience - Current Expectation - No Rate Increase

<u>Year</u>	<u>Cash Premium</u>	<u>Earned Premium</u>	<u>Paid Claims</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>
1998	1,803	1,830	-	-	0.0%
1999	77,058	78,214	-	-	0.0%
2000	170,372	172,928	-	-	0.0%
2001	234,936	238,460	1,050	1,050	0.4%
2002	269,654	273,699	62,440	75,507	27.6%
2003	270,928	274,992	203,800	236,145	85.9%
2004	304,245	308,809	122,743	137,430	44.5%
2005	322,545	327,383	123,940	144,561	44.2%
2006	293,600	298,004	62,890	87,386	29.3%
2007	266,341	270,336	100,478	116,741	43.2%
2008	255,072	258,898	79,237	95,163	36.8%
2009	235,044	238,569	95,718	143,204	60.0%
2010	199,028	202,014	134,159	220,534	109.2%
2011	176,370	179,015	190,176	133,279	74.5%
2012	169,364	171,904	124,158	(10,774)	-6.3%
2013	150,534	152,792	156,314	370,281	242.3%
2014	122,558	124,396	83,098	(113,597)	-91.3%
2015	105,218	106,796	39,279	290,357	271.9%
2016	93,832	95,239	241,555	430,338	451.8%
2017	75,547	76,680	221,305	(150,141)	-195.8%
2018	67,630	68,644	69,474	89,274	130.1%
2019	64,208	65,172	147,221	136,576	209.6%
Cumulative @ 4.35%		6,854,473		3,676,049	53.6%

Exhibit 4  
United Security Assurance Company of PA  
LTC-97, TQLTC-97  
Nationwide Experience - 20.0% rate increase - 4th Qtr 2020 Implementation

	Cash	Earned	Paid	Incurred	Loss
<u>Year</u>	<u>Premium</u>	<u>Premium</u>	<u>Claims</u>	<u>Claims</u>	<u>Ratio</u>
1998	38,310	39,100	-	-	0.0%
1999	429,999	438,856	1,100	1,168	0.3%
2000	1,033,582	1,054,873	48,833	62,216	5.9%
2001	1,278,349	1,304,681	148,262	191,079	14.6%
2002	1,510,423	1,541,535	319,055	397,076	25.8%
2003	1,792,794	1,829,723	560,686	676,257	37.0%
2004	2,312,117	2,359,743	574,094	887,575	37.6%
2005	2,521,747	2,573,692	803,420	1,008,051	39.2%
2006	2,571,997	2,624,976	869,398	1,329,660	50.7%
2007	2,539,734	2,592,049	1,035,520	1,326,672	51.2%
2008	2,426,809	2,476,797	1,001,799	1,307,208	52.8%
2009	2,286,606	2,333,706	1,068,293	1,820,057	78.0%
2010	2,145,542	2,189,737	1,339,372	1,707,776	78.0%
2011	2,164,460	2,144,448	1,373,000	1,275,303	59.5%
2012	2,038,188	2,063,429	1,307,230	1,010,461	49.0%
2013	1,834,082	1,886,923	1,218,242	2,135,997	113.2%
2014	1,641,790	1,665,024	1,249,045	1,601,753	96.2%
2015	1,466,750	1,554,263	1,256,277	2,415,966	155.4%
2016	1,307,603	1,348,678	1,739,223	1,905,414	141.3%
2017	1,140,398	1,169,311	1,746,930	1,278,132	109.3%
2018	1,055,522	1,079,694	1,551,598	1,451,459	134.4%
2019	961,929	983,958	1,533,239	1,233,638	125.4%
Cumulative @ 4.35%		60,183,057		35,944,415	59.7%
2020		914,080		1,260,615	137.9%
2021		925,859		1,249,231	134.9%
2022		814,046		1,227,331	150.8%
2023		712,304		1,196,407	168.0%
2024		620,290		1,158,112	186.7%
2025		537,629		1,106,935	205.9%
2026		463,983		1,052,232	226.8%
2027		398,601		995,748	249.8%
2028		340,920		933,557	273.8%
2029		290,333		876,674	302.0%
2030		246,229		810,460	329.1%
2031		207,983		746,835	359.1%
2032		174,963		682,063	389.8%
2033		146,598		617,819	421.4%
2034		122,361		562,339	459.6%
2035		101,751		503,015	494.4%
2036		84,301		445,506	528.5%
2037		69,586		393,860	566.0%
2038		57,236		347,011	606.3%
2039		46,919		302,182	644.1%
2040		38,340		262,466	684.6%
2041		31,235		225,740	722.7%
2042		25,371		192,165	757.4%
2043		20,558		162,689	791.4%
2044		16,626		136,361	820.2%
2045		13,430		115,051	856.7%
2046		10,843		95,519	880.9%
2047		8,756		78,504	896.5%
2048		7,080		63,893	902.5%
2049		5,738		50,863	886.4%
2050		4,670		40,181	860.4%
2051		3,821		31,342	820.2%
PV of Future @ 4.35%		5,773,228		12,375,250	214.4%
Total		65,956,285		48,319,665	73.3%

Exhibit 6  
Demonstration that Lifetime Incurred Claims with Requested 20.0% Increase  
are not less than the Lifetime Earned Premium with Prescribed Factors  
Nationwide LTC-97, TQLTC-97 (December 31, 2019)  
All Policies

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1	Accumulated Value of Initial Earned Premium	54,227,977 x 58% =	31,452,227
2a	Accumulated Value of Earned Premium	60,183,057	
2b	Accumulated Value of Prior Premium Rate Schedule Increases (2a - 1)	5,955,081 x 85% =	5,061,819
3	Present Value of Future Projected Initial Earned Premium	4,085,118 x 58% =	2,369,368
4a	Present Value of Future Projected Premium	5,773,228	
4b	Present Value of Future Projected Premium in excess of initial earned premiums (4a - 3)	1,688,110 x 85% =	1,434,893
5	Lifetime Earned Premium Times Prescribed Factor: (1 + 2b + 3 + 4b)		40,318,307
6a	Accumulated Value of Incurred Claims without Inclusion of Active Life Reserves		35,944,415
6b	Present Value of Future Projected Incurred Claims without Inclusion of Active Life Reserves		12,375,250
7	Lifetime Incurred Claims (6a + 6b)		48,319,665
8	Test: 7 greater than or equal to 5		Pass
		Item #7 / Item #5 =	119.8%

Exhibit 7  
 United Security Assurance Company of PA  
 LTC-97, TQLTC-97  
 Policy and Claim Counts by Year  
 Nationwide

<u>Year</u>	<u>Policies</u>	<u>Claims</u> <u>By Incrd Yr</u>
1998	46	
1999	423	9
2000	974	19
2001	1155	18
2002	1309	28
2003	1495	32
2004	1839	42
2005	1667	40
2006	1575	45
2007	1512	34
2008	1386	41
2009	1175	47
2010	1144	42
2011	1104	43
2012	1024	38
2013	947	64
2014	855	35
2015	782	46
2016	723	36
2017	643	32
2018	587	25
2019	541	11
2020	464.8	
2021	415.1	
2022	369.1	
2023	326.9	
2024	288.3	
2025	253.2	
2026	221.4	
2027	192.8	
2028	167.2	
2029	144.4	
2030	124.1	
2031	106.3	
2032	90.6	
2033	76.9	
2034	64.9	
2035	54.6	
2036	45.7	
2037	38.1	
2038	31.6	
2039	26.1	
2040	21.4	
2041	17.5	
2042	14.3	
2043	11.6	
2044	9.4	
2045	7.5	
2046	6.1	
2047	4.9	
2048	3.9	
2049	3.1	

Exhibit 7A  
 United Security Assurance Company of PA  
 Form TQLTC-97-U  
 Policy and Claim Counts by Year  
 Pennsylvania

<u>Year</u>	<u>Policies</u>	<u>Claims</u> <u>By Incrd Yr</u>
1998	1	0
1999	44	0
2000	104	0
2001	145	1
2002	144	6
2003	177	6
2004	177	3
2005	157	2
2006	141	2
2007	132	3
2008	120	2
2009	112	4
2010	98	3
2011	83	2
2012	81	3
2013	74	10
2014	63	4
2015	59	4
2016	55	4
2017	49	1
2018	42	3
2019	37	2

## Exhibit 8

## United Security Assurance Company of PA

## LTC-97, TQLTC-97

## Nationwide Experience - A one-time Rate Increase of 20.0% - 4Q2020 Implementation

## With 10% worse Morbidity

	Cash	Earned	Paid	Incurred	Loss
<u>Year</u>	<u>Premium</u>	<u>Premium</u>	<u>Claims</u>	<u>Claims</u>	<u>Ratio</u>
1998	38,310	39,100	-	-	0.0%
1999	429,999	438,856	1,100	1,168	0.3%
2000	1,033,582	1,054,873	48,833	62,216	5.9%
2001	1,278,349	1,304,681	148,262	191,079	14.6%
2002	1,510,423	1,541,535	319,055	397,076	25.8%
2003	1,792,794	1,829,723	560,686	676,257	37.0%
2004	2,312,117	2,359,743	574,094	887,575	37.6%
2005	2,521,747	2,573,692	803,420	1,008,051	39.2%
2006	2,571,997	2,624,976	869,398	1,329,660	50.7%
2007	2,539,734	2,592,049	1,035,520	1,326,672	51.2%
2008	2,426,809	2,476,797	1,001,799	1,307,208	52.8%
2009	2,286,606	2,333,706	1,068,293	1,820,057	78.0%
2010	2,145,542	2,189,737	1,339,372	1,707,776	78.0%
2011	2,164,460	2,144,448	1,373,000	1,275,303	59.5%
2012	2,038,188	2,063,429	1,307,230	1,010,461	49.0%
2013	1,834,082	1,886,923	1,218,242	2,135,997	113.2%
2014	1,641,790	1,665,024	1,249,045	1,601,753	96.2%
2015	1,466,750	1,554,263	1,256,277	2,415,966	155.4%
2016	1,307,603	1,348,678	1,739,223	1,905,414	141.3%
2017	1,140,398	1,169,311	1,746,930	1,278,132	109.3%
2018	1,055,522	1,079,694	1,551,598	1,451,459	134.4%
2019	961,929	983,958	1,533,239	1,233,638	125.4%
Cumulative @ 4.35%		60,183,057		35,944,415	59.7%
2020		914,080		1,386,677	151.7%
2021		925,859		1,374,154	148.4%
2022		814,046		1,350,064	165.8%
2023		712,304		1,316,047	184.8%
2024		620,290		1,273,923	205.4%
2025		537,629		1,217,629	226.5%
2026		463,983		1,157,455	249.5%
2027		398,601		1,095,323	274.8%
2028		340,920		1,026,912	301.2%
2029		290,333		964,342	332.1%
2030		246,229		891,506	362.1%
2031		207,983		821,518	395.0%
2032		174,963		750,270	428.8%
2033		146,598		679,601	463.6%
2034		122,361		618,573	505.5%
2035		101,751		553,317	543.8%
2036		84,301		490,057	581.3%
2037		69,586		433,246	622.6%
2038		57,236		381,712	666.9%
2039		46,919		332,400	708.5%
2040		38,340		288,713	753.0%
2041		31,235		248,314	795.0%
2042		25,371		211,382	833.2%
2043		20,558		178,958	870.5%
2044		16,626		149,997	902.2%
2045		13,430		126,556	942.4%
2046		10,843		105,071	969.0%
2047		8,756		86,354	986.2%
2048		7,080		70,282	992.7%
2049		5,738		55,949	975.0%
2050		4,670		44,200	946.5%
2051		3,821		34,476	902.2%
PV of Future @ 4.35%		5,773,228		13,612,775	235.8%
Total		65,956,285		49,557,190	75.1%

Exhibit 9  
 United Security Assurance Company of PA  
 TQLTC-97-U  
 Claim Costs \$10/month

Nursing Home Only  
 Level Benefit

Attained Age	Benefit Period		
	24 Month	60 Month	Lifetime
62	8.88	15.25	26.14
67	12.69	21.65	33.52
72	31.60	53.42	74.48
77	65.89	109.70	137.25
82	154.87	254.03	290.35
87	306.06	486.69	219.41
92	360.85	551.38	564.62
97	464.81	699.62	711.98
102	576.58	867.85	878.13

Nursing Home + Home Health Care  
 Level Benefit

Attained Age	Benefit Period		
	24 Month	60 Month	Lifetime
62	5.98	10.26	17.59
67	8.54	14.56	22.55
72	21.26	35.94	50.12
77	47.11	78.43	98.13
82	115.60	189.61	216.72
87	205.94	327.48	349.49
92	242.81	371.01	379.92
97	312.76	470.75	479.07
102	387.96	583.95	590.87

Exhibit 10  
United Security Assurance Company of PA  
Policy Form Series: TQLTC-97-U  
Rider Form Series: LTC-IF5 Compound Inflation  
and LTC-HHC/R(ND)-U Home Health Care  
Voluntary Pricing Lapse Rates

IssAge	Policy Duration										
	1	2	3	4	5	6	7	8	9	10	11+
52	22.0%	18.0%	15.0%	12.0%	8.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
57	22.0%	18.0%	15.0%	12.0%	8.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
62	22.0%	18.0%	15.0%	12.0%	8.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
67	22.0%	18.0%	15.0%	12.0%	8.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
72	22.0%	18.0%	15.0%	12.0%	8.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
77	22.0%	18.0%	15.0%	12.0%	8.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
82	22.0%	18.0%	15.0%	12.0%	8.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%

Current Lapse Rates on the 541 in force LTC-97/TQLTC-97 policies

Policy Duration										
1	2	3	4	5	6	7	8	9	10	11+
7.5%	6.9%	6.8%	6.7%	3.5%	3.5%	3.3%	3.3%	3.3%	3.1%	3.0%



Exhibit 11  
 United Security Assurance Company of PA  
 Policy Form Series: TQLTC-97-U  
 Rider Form Series: LTC-IF5 Compound Inflation  
 and LTC-HHC/R(ND)-U Home Health Care  
 Selection Factors

Dur	Issue Age				
	< 65	65 - 69	70 - 79	80 - 84	>= 85
1	60.0%	60.0%	60.0%	60.0%	70.0%
2	70.0%	70.0%	70.0%	70.0%	85.0%
3	80.0%	80.0%	80.0%	80.0%	100.0%
4	90.0%	90.0%	90.0%	90.0%	100.0%
5	100.0%	100.0%	100.0%	100.0%	100.0%
6	100.0%	100.0%	100.0%	100.0%	100.0%
7	100.0%	100.0%	100.0%	100.0%	100.0%
8	100.0%	100.0%	100.0%	100.0%	100.0%
9	100.0%	100.0%	100.0%	100.0%	100.0%
10+	100.0%	100.0%	100.0%	100.0%	100.0%

Exhibit 13  
United Security Assurance Company of PA  
LTC-97, TQLTC-97

<u>Year</u>	<u>Active Life Reserve</u>
1999-2007	Unavailable
2008	3,050,801
2009	4,438,776
2010	5,087,834
2011	5,652,481
2012	6,302,648
2013	6,481,861
2014	7,188,291
2015	7,346,411
2016	7,604,674
2017	7,696,206
2018	7,836,968
2019	7,717,312

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<u>Product</u>	<u>Policy Forms</u>	<u>Rider Forms</u>
TQLTC-97, et al    Tax Qualified LTC	TQLTC-97-U	LTC-HHC/R-U, LTCIF5-U, LTC-SBO-U, WR-97-U

These policy forms were issued by United Security Assurance Company of Pennsylvania (USAP) from 1997 through 2013. These policies are no longer being marketed in any jurisdiction.

1.    Purpose of Filing

This actuarial memorandum has been prepared for the purpose of demonstrating that the requested rate increase of this product meets the minimum requirements and demonstrates compliance with your jurisdiction. This filing may not be suitable for other purposes.

The rate increase being requested will not apply to those policies whose premiums are being waived at the time the rate increase becomes effective but will apply if/when such policies return to a premium-paying status.

As part of the Company's normal rate increase notification process, the Company will communicate clearly, at the time of notification, that the insured has the opportunity to discuss policy modifications designed to either moderate or fully offset the rate increase(s). Modifications can include adjustments to the maximum daily benefit and/or other components of the policy. The Company will also provide the standard contingent non-forfeiture benefit to all policyholders who qualify for that option.

2.    Description of Benefits

These policies pay the actual charges up to the applicable daily benefit for confinement in a Long Term Care Facility. Confinement must be medically necessary or the insured must be unable to perform two or more activities of daily living or be cognitively impaired. TQLTC-97 has a 2% discount for Long Term Care Benefits and 5% for the Home Health Care Benefits to reflect the more restrictive benefit triggers required for tax qualified long term care insurance.

Elimination Period – The number of days for which benefits would otherwise be payable during each Period of Care that must be satisfied before benefits are payable under the policy. Elimination periods offered are 0 days, 20 days, and 100 days.

Maximum Benefit Period – This is the maximum number of days for which benefits are payable under the policy. Maximum Benefit Periods offered are 1 year, 2 years, 3 years, 4 years, 5 years, and lifetime. The one year benefit is not available in Florida, Maryland, or any other state where it is restricted. Prior hospitalization is not required for benefits.

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Adult Day Care Benefit – The policy pays actual charges up to 50% of the applicable daily benefit for covered care in an Adult Day Care Center for a maximum of 12 months. The benefit payable will reduce the Long Term Care Benefit by ½ day for each day covered.

Alternate Plan of Care Benefit – The policy provides for an alternate plan of care provided that the insured would otherwise require confinement in a long term care facility for a maximum amount of 180 times the daily benefit amount. The alternative plan of care must be agreed to by the insured, the insured's physician and the Company.

Home Health Care Benefit (LTC-HHC/R-U) – provides an optional home health care benefit with a daily maximum of 100% or 50% of the daily nursing home benefit. The daily maximum benefit is paid for approved Home Health Care Practitioners. These services include professional nursing, therapy services and assistance with activities of daily living. The benefits are provided if the insured is unable to perform 2 or more activities of daily living or is cognitively impaired. If this rider is elected, the maximum number of days for which benefits are payable under the policy is not changed. If the 100% option is elected, each day of home health care benefits reduces the maximum benefit period for nursing home confinements by one day. If the 50% option is elected, each two days of home health care benefits paid reduces the maximum nursing home benefit period by one day. The elimination period is the same as for the nursing home benefit. The elimination periods offered are 0 day, 20 days and 100 days. If a portion of the elimination period is satisfied under the home health care benefits, this portion is counted toward the nursing home benefit elimination period.

Non-Forfeiture Option (LTC-SBO-U) – an optional non-forfeiture option that can be attached to the LTC and/or HHC plans. The rider must be attached at the issue date of the base policy. The rider provides a reduced paid-up benefit after the policy has been in force for 3 years. The daily benefit under the paid-up option is the benefit that was in effect at the time the non-forfeiture benefit became effective, i.e., the last paid to date of the base plan. If the base plan contains an increasing benefit option, the additional benefit option is applied to determine the paid-up benefit, which is then frozen as of the paid to date. The paid-up benefit period, in days, is equal to the total premiums paid under the policy at the date of lapse divided by the daily benefit. For example, if the total annual premium had been \$1,000 and the policy had been in force for 6 years with a daily benefit of \$100, the paid-up benefit would be 60 days. If home health care benefits are included in the plan, they become part of the paid-up benefit.

Inflation Benefit (LTCIF5-U) – an automatic increase benefit is offered. If elected, this option increases benefits by 5% per year, compounded for 20 years.

Waiver of Premium (WR-97-U only available on TQLTC-97-U) – Premiums are waived after the insured has been confined to a nursing facility and benefits are paid for such confinement under this policy.

Restoration of Benefits (WR-97-U only available on TQLTC-97-U) - Maximum benefit is fully restored if the insured does not receive long term care or home health care for a period of 180 days.

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This restoration applies only if the maximum benefit period has not been reached during any one period of care.

Exhibits 1 (nationwide) and 1A (Pennsylvania: informational purposes only) summarize the demographics and benefit characteristics applicable to policies in force as of December 31, 2019.

3. Renewability

These policies are guaranteed renewable for life.

4. Applicability

As these policy forms are no longer being sold, this filing is applicable to inforce policies only. The premium changes will apply to the base forms as well as all applicable options and riders.

5. Actuarial Assumptions

- a. Expected Claim Costs are shown in Exhibit 9. These costs were based on the company's most recent studies (when priced in 1998) of claim frequency rates and claim termination rates on long term care plans. When the inflation benefit is added, we recognize the fact that the inflation benefit will have an impact on claims incurred in the first policy year since some of these claims will be paid in subsequent policy years when the inflation benefit would be applicable. The claim costs have been adjusted according to the table ratings.

In an article in the August 2017 SOA Long-Term Care News (pp. 10-13), it was stated that "in the LTC industry's infancy, the long-tailed risk factors underlying the LTCi product were not well appreciated." And "claims experience emerged slowly due to low claim frequencies in the early years." Also, "since a relatively small change in assumption (i.e., lapse rates) could significantly impact premiums" and "Due to adverse experience, the original premiums at the time of issue have been inadequate to cover future claim costs." However, regulators "restricting the premium increase has only served to raise future premiums for a smaller number of future policyholders." As a result, "necessary premium increases have not been granted, effectively resulting in breaches of contract." All LTCi policies approved with guaranteed renewable premiums, granted the right to administering insurers to change (increase) premiums as justified by regulations.

As shown in Exhibits 1 (nationwide) and 1A (Pennsylvania: informational purposes only) the average attained ages (weighted by annual premium) are 81.9 and 83.7, respectively, while for those currently in claim, the average ages at date of incurral are 86.3 and 85.4, respectively.

The number of claims nationwide, and in Pennsylvania, are provided by calendar year in Exhibits 7 and 7A (PA). The average length of claim nationwide is 2.53 years (paying an average of \$45,393), and the average length of claim in Pennsylvania is 2.15 years (paying an average of \$38,289).

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- b. Durational Voluntary Lapse Rates are also those which underlie the reserves: Duration 1 = 7.5%; Dur. 2 = 6.9%; Dur. 3 = 6.8%; Dur. 4 = 6.7%; Dur. 5-6 = 3.5%; Dur. 7-9 = 3.3%; Dur. 10 = 3.1%.
- c. Mortality is a blend of the gender specific 1983 Group Annuity Mortality (83GAM) Table and the 1994 Group Annuitant Mortality (94GAM) Table which is also the basis for reserves.

The following table compares the actual total termination rate with the total termination rate implied by the combination of the mortality rates and voluntary termination rates noted above. The results shown are for years ending September 30 to coincide with the annual cash flow testing analysis and assumption setting.

Termination Study Year	Actual Total Term Rate	Expected Total Term Rate	Actual Less Expected
2011	3.26%	4.47%	-1.20%
2012	3.65%	4.72%	-1.07%
2013	4.45%	4.92%	-0.47%
2014	3.69%	5.16%	-1.47%
2015	3.44%	5.45%	-2.01%
2016	2.44%	5.69%	-3.25%
2017	3.33%	6.07%	-2.74%
2018	3.24%	6.38%	-3.14%
2019	1.64%	6.51%	-4.87%
Nine Year Total	3.34%	5.34%	-2.00%

- d. Adverse Selection. We have not modeled any shock lapse or adverse selection associated with this rate increase.
- e. Expenses. Expenses have not been explicitly projected. It is assumed that the originally filed expense assumptions remain appropriate.

These assumptions are based on the nationwide experience of the particular policy forms in this filing. The assumptions used in this filing are considered best-estimate. As stated earlier, actual morbidity levels are in excess of expected levels, in large part due to the higher than expected claims experience for older ages. These factors are the primary drivers for this request.

In establishing the assumptions described in this section, the policy design, underwriting, and claims adjudication practices for the above-referenced policy forms were taken into consideration.

6. Marketing Method

These policy forms were marketed by agents and brokers of United Security Assurance Company of Pennsylvania. These forms are no longer marketed or sold.

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7. Underwriting Description

These policies were underwritten using protocols and methods applicable at the time of policy application. Based on those protocols and methods, policies were either declined, issued Preferred/Standard (Class P/S = rating of 100%) or issued substandard (Class 1 = rating of 140% and Class 2 = 200%). As shown in Exhibits 1 (nationwide) and 1A (Pennsylvania: informational purposes only) the percentages of policies in force and underwritten as P/S, Class 1 or Class 2 (weighted by annual premium) are 24.43%, 35.22%, 40.35%, and 38.61%, 27.46%, 33.93%, respectively.

8. Premiums

Premiums are unisex and payable for life. The premiums may vary by issue age, benefit period, initial daily benefit, elimination period, inflation option, premium payment option, risk class, and the selection of any riders. Waived premiums are included as a benefit in the claim reserve calculation (which then becomes part of the incurred claims calculation).

9. Issue Age Range

Issue ages are from 40 to 89. As shown in Exhibits 1 (nationwide) and 1A (Pennsylvania: informational purposes only) the average issue ages (weighted by annual premium) are 66.6 and 67.3, respectively.

10. Area Factors

Area factors are not used for this product.

11. Premium Modalization Rules

The following modal factors are applied to the annual premium (AP): annual 100%, semi-annual 52%, quarterly 26.5% and monthly 9.0% (8.5% for monthly bank draft).

12. Reserves

Active life reserves have not been used in this analysis. There are no additional reserves held on this block of policies (such as premium deficiency reserves or AG51 reserves). The active life reserves, by year, are provided in Exhibit 13 for year-ends 2008 through 2019.

In the above, claim reserves include incurred but not reported (IBNR) reserves.

13. Trend Assumptions

As this is not medical insurance, we have not included any explicit medical cost trends in the projections.

14. Past and Future Experience

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Historical experience is compiled from company records. Actual historical incurred claims are determined as claims paid in the calendar year plus the change in claim reserves during that year.

With 2015 through 2019 calendar year incurred loss ratios well above 100%, there is no indication of any improvement to lower future expected loss ratios. Even with the implementation of the previous accepted 2005 rate increases in 8 states, and partial implementation of last year's accepted rate increases in 8 states (1 is still pending), the anticipated lifetime loss ratio has increased slightly, and is now expected to be 74.9%.

Projected experience for 2020 and after is based on a seriatim projection calculation used to calculate the active life reserves, with a true-up to 2019 actual premium and incurred claims amounts.

For purposes of accumulating experience for an anticipated or lifetime loss ratio calculation, the calendar year totals are assumed to represent a mid-year value. The loss ratios shown in the exhibits are computed using a 4.35% interest rate (approximating the weighted average rate used for statutory reserves).

Rate Stabilization model requirements allow for a much smaller rate increase than the Loss Ratio requirements. Although 8 of the 37 premium paying policies in force in Pennsylvania (21.6%) were issued before September 16, 2002, this filing was constructed as if all policies were under the more conservative Rate Stabilization requirements.

Exhibit 4 shows the projection of future experience with the requested rate increase of 20%.

Exhibit 7 shows the number of inforce policies by year, including the projected number of policies for the projection years. It also shows the number of historical incurred claims by incurral year. Exhibit 7A shows the historical number of inforce policies and incurred claim counts for Pennsylvania only.

We have tested a moderate level of morbidity based anti-selection in Exhibit 8 (nationwide experience) to reflect the possibility for increased claims activity by remaining policyholders.

15. History of Previous Rate Revisions

The Company has sold long term care insurance since 1983 and has sold these policies since 1998. Rate increase requests for forms LTC-97 and TQLTC-97 (the tax qualified version of LTC-97) were filed in various states in 2004 through 2006, and again in 2019. The amounts accepted by state are:



UNITED SECURITY ASSURANCE COMPANY OF PA  
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State	Amount of Increase	Acceptance Date	Form(s)
PA	20% Increase	11/24/2004	TQLTC-97
	20% Increase	11/04/2019	TQLTC-97
ND	20% Increase	7/15/2005	LTC-97, TQLTC-97
	20% Increase	6/12/2019	LTC-97, TQLTC-97
	20% Increase	7/20/2020	LTC-97, TQLTC-97
KS	20% Increase	9/28/2005	LTC-97
	20% Increase	12/20/2019	LTC-97
SD	20% Increase	10/3/2005	LTC-97, TQLTC-97
	3 Incrs of 24.27% each	8/30/2019	LTC-97, TQLTC-97
MD	20% Increase	10/25/2005	LTC-97
MO	20% Increase	10/30/2005	LTC-97
	3 Incrs of 24.27% each	12/11/2019	LTC-97
NE	20% Increase	12/8/2005	LTC-97
	2 Incrs of 24.27% each	11/25/2019	LTC-97
TX	20% Increase	9/28/2006	LTC-97, TQLTC-97
	Request still Pending	2020	LTC-97, TQLTC-97
SC	20% Increase	8/17/2020	LTC-97
MN	4 Incrs of 15.0% each	7/16/2019	LTC-97

16. Analysis Performed to Consider a Rate Increase

The analysis performed in support of this filing includes morbidity and termination studies noted in Section 5 as well as emerging differences in the emerging aggregate durational-weighted loss ratios relative to that assumed in the original pricing. Exhibit 2 shows pricing projections from the originally filed Actuarial Memorandums.

- a. Original Pricing Expected Claim Costs. Original pricing claim costs were derived from the Intercompany Long Term Care experience published by the Society of Actuaries (Jan. 1995) and the 1985 Nursing Home Survey. These table values were adjusted based on the company's recent (1995-1997) studies of claim frequency rates and claim termination rates on long term care plans. When the inflation benefit is added, we recognize the fact that the inflation benefit will have an impact on claims incurred in the first policy year since some of these claims will be paid in subsequent policy years when the inflation benefit would be applicable. The claim costs have been adjusted according to the table ratings. The claim costs for the tax qualified plans have been discounted by 2% for Long Term Care Benefits and 5% for the Home Health Care Benefits to reflect the more restrictive benefit triggers required on the tax qualified long term care insurance.
- b. Original Pricing Expected Voluntary Termination Rates. Original pricing expected lapse rates varied by duration (see Exhibit 10) with the ultimate lapse rate assumed to be 7%. These were based on company experience (at that time).

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As shown in the table in Section 5c., above, terminations during the last few years are well below expectations, and the 9-year cumulative actual terminations are only about 63% of expected terminations, which will result in additional claims in the future.

- c. Original Pricing Expected Mortality. 90% of the 1983 Group Annuitant Mortality (GAM) Table
  - d. Original Pricing Expected Investment Earnings. 5.25%  
The current investment earnings average on USAP assets is only about 4.01%. Lower than expected investment earnings results in fewer dollars to pay claims.
  - e. Underwriting Selection Factors are shown in Exhibit 11.
17. Requested Rate Increase and Demonstration of Satisfaction of Rate Stabilization Model Requirements

Although a much larger rate increase is justified at this time (the Rate Stabilization regulation would allow a 171.74% rate increase), the Company is requesting a 20.0% rate increase on all premium paying policies in force in Pennsylvania, with the understanding that experience will continue to be monitored and further modest rate action would be taken in the future if experience continues to deteriorate from current expectations. This premium rate increase being requested is supportable under both the Loss Ratio regulation and the Rate Stabilization regulation. To mitigate the impact of these rate increases on policyholders, we offer policy modifications to partially or completely offset the rate increases.

Exhibit 3 shows the anticipated lifetime loss ratio under current expectations exclusive of the requested rate increase (Exhibit 3A is historical Pennsylvania only experience). Exhibit 4 shows the anticipated lifetime loss ratio under current expectations inclusive of the requested rate increase. As shown in Exhibits 3 and 4, the anticipated lifetime loss ratio with and without the requested rate increases exceed the minimum loss ratio requirement of 60%. The Rate Stabilization regulation targets a minimum ratio of premium (58% of original plus 85% of increased) to claims of 100%, and this rate increase request produces a ratio around 120%. Exhibit 6 shows the Rate Stabilization ratio. Exhibit 8 shows the same projection (as Exhibit 4) with 10% worse morbidity levels which are less than the levels experienced in most recent 5 years. Corresponding rates tables, reflecting the above increase, are shown in Exhibit 12.

The afore mentioned Exhibits 3, 4, and 8, show present value amounts using the discount rate of 4.35%, described in Section 14 above.

18. Number of Insureds and Annualized Premium

Based on December 31, 2019 in-force premium paying policies, the number of insureds and annualized premium that will be affected by this increase in this jurisdiction and nationwide are shown in the table below. Further nationwide splits by key benefit characteristics are shown in Exhibit 1.

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	Number of Policies	Annualized Premium Before Incr	Average Annualized Premium Before Incr	Proposed Increase *	Proposed Annualized Premium After Incr	Average Annualized Premium After Incr
Nationwide	541	1,071,957	1,981	33.5%	1,431,253	2,646
Pennsylvania	37	67,477	1,824	20.0%	80,972	2,188

\* This represents the average future national increase based on current round of requests and approved multi-year increases from last round.

19. Proposed Effective Date

This rate increase will apply to policies on their next premium payment date following a 60-day policyholder notification period following approval. However, no policy will receive an increase until at least 12 months after the prior approved rate increase was implemented.

20. Actuarial Certification

I am an Associate of the Society of Actuaries and a Member of the American Academy of Actuaries, and I meet the Academy's qualification standards for preparing health rate filings and to render the actuarial opinion contained herein. This memorandum has been prepared in conformity with all applicable Actuarial Standards of Practice, including Actuarial Standards of Practice No. 8, 18, and 41.

I hereby certify that, to the best of my knowledge and judgment, this rate submission is in compliance with the applicable laws and regulations of Pennsylvania and the rules of the Department of Insurance. However, as the Company is not requesting the maximum permissible rate increase of 171.74% in consideration of the premium-paying policyholder's financial well-being, I am not providing a Pennsylvania Administrative Code Chapter 89a. Section 118.(b)(2)(i) certification at this time. The Company will continue to monitor experience and further premium rate schedule increases may be requested in the future if experience continues to justify as much. In my opinion the rates are not excessive or unfairly discriminatory. This filing will enhance premium adequacy.



Gary R. Hulet, ASA, MAAA  
Staff Actuary  
United Security Assurance Company of Pennsylvania  
Date: September 25, 2020



# United Security Assurance

Company of Pennsylvania

www.usaofpa.com

[Date]

[Name]

[Address]

**Notice of Rate Increase and Your Options**      **Policy Number:** \_\_\_\_\_

**Decision Due Date [15 days before Billing Anniversary Date]**

Dear [Policyholder]:

I am writing you today about your long term care insurance policy issued by United Security Assurance Company of Pennsylvania. You will receive a premium rate increase of 20.0%. This increase was filed by United Security with the Pennsylvania Department of Insurance and it was reviewed for compliance with applicable State laws and regulations governing long term care insurance. Because it was found to be compliant with these laws and regulations, the filing was approved. The 20.0% increase will take effect on your Billing Anniversary date listed below.

Your new modal premium amount and the due date for the scheduled rate increase is as follows:

<b><u>Billing Anniversary Date</u></b>	<b><u>Prior [Modal] Premium</u></b>	<b><u>New [Modal] Premium</u></b>
[Month & Date] [2021]	[\$XXX.XX]	[\$XXX.XX+20.0%] = [\$XXX.XX]

This premium rate increase is being implemented on all policies issued in Pennsylvania on your Policy Form, and not on you as an individual. This rate increase is related to expected future claims and is not based on current economic conditions. This rate increase is the only one scheduled to be implemented on your policy at this time. We realize that this is the second year in a row that we are increasing your premium. However, if future claims are worse than currently expected, we cannot guarantee that there will not be additional rate changes sometime in the future.

Recent actuarial studies for the industry have shown a dramatic rise in long term care claim rates and length of claim for older insureds. While the premium rates need to be increased, we want to explain the specific changes to your premiums and tell you how you can continue to have access to your long term care insurance coverage even if you can't afford the rate increase. So, here's what you need to know:

- If you have other policies with United Security Assurance, they will not be affected unless you receive an additional notification letter. This notice applies only to the policy number shown at the top of this letter.
- **If you currently pay your premium by an automatic bank plan, your new premium amount will be automatically drafted from your account when it is due, unless you notify us prior to the Due Date at the top of this letter.**
- If you are currently on waiver of premium status, your premiums will not increase until you are required to begin paying premiums again.

### **Ways to Reduce the Cost**

If you would like to keep your current benefits, you must pay the increased premium amount. If you choose not to pay the increased premium, you will receive a Contingent Non-Forfeiture benefit. ("CNF"). Under CNF you will pay no more premiums and will have a paid-up benefit determined by the amount of premiums you have already paid, less paid claims if any. This means your Daily Benefit Amount will stay the same (for example, \$100 per day) but instead of having benefits for one year to five years, your benefit period will be shortened based on the premiums you have paid. **In many cases, the decision to elect the CNF option may result in a significant reduction in benefits.**

If you feel you may have difficulty affording the new premium amount, there are other ways to avoid paying the rate increase besides accepting the CNF benefit described in the above paragraph. Options available to you may be to reduce the daily benefit amount or the benefit period of your policy, or remove optional riders, if applicable. Please call us if you want to know the options available for your Policy.

### **How to get Help**

You may wish to consult with family members and advisors about this rate increase and the options you have to minimize the effect of the increase. You may also contact the Pennsylvania State Insurance Department.

We encourage you to call our customer service department if you have any questions regarding this rate increase or would like to discuss options available for your policy. Our toll free number is: **1-800-872-3044** and we are available between 8:30 a.m. and 4:30 pm EST.

We appreciate your business and thank you for the opportunity to service your long term care insurance.

Sincerely,

[Martha Stephens]  
[Vice President, Operations]

# United Security Assurance

## Company of Pennsylvania

673 East Cherry Lane, P.O. Box 64477,  
Souderton, Pennsylvania 18964

September 28, 2020

James Lavery, FSA, MAAA  
Actuary  
Bureau of Life, Accident, and Health Insurance  
Pennsylvania Department of Insurance  
Harrisburg, PA 17120  
Phone: 1(717)783-2117

Re: SERFF Tracking USPA-132537056  
United Security Assurance Company of Pennsylvania  
Long Term Care Insurance Policy: TQLTC-97, et al.  
Your Objection Dated 9/25/2020

Dear Mr. Lavery:

Listed below are the responses to your objections regarding the above referenced filing. The objections are listed in italics with the response immediately following each.

*The captioned filing has been reviewed by the Pennsylvania Insurance Department. It has been determined that the filing fails to meet the requirements of our Insurance Company Laws or regulations and is therefore disapproved pursuant to the authority granted under Section 304(a) of Act 134, the Accident and Health Filing Reform Act. In the event you have any questions regarding the stated concerns, please feel free to contact the Department for further clarification. The disapproved filing may be resubmitted within 120 days of the date of disapproval. If the Department does not hear from you within 120 days, the subject filing will be permanently closed. Such filings resubmitted after 120 days must be submitted as a new filing, inclusive of appropriate filing fees and disclosure of the closed filing SERFF tracking number*

*Please furnish the following information to the Department.*

*1. Please provide a copy of the tables contained in this filing in an Excel workbook.*

Please see the attached PA Exhibits.xlsx file.

*2. Please provide a table in an Excel spreadsheet (perhaps similar to Exhibit 3) which shows the historical and projected nationwide earned premium and incurred claims on a calendar year basis assuming no rate increase is granted. Please restate the historical and projected earned premium so that the business from inception appears to have all been earned at the current Pennsylvania rate level.*

# United Security Assurance

## Company of Pennsylvania

673 East Cherry Lane, P.O. Box 64477,  
Souderton, Pennsylvania 18964

Please see the attached file PA Level Exhibit 3.xlsx. Since PA accepted the same rate increase amount in 2004 as other states, historical premiums are unchanged, except for an adjustment to the 2019 premiums since PA did not grant as much increase as some other states did. Projected earned premiums at the PA rate level are lower than the original Exhibit 3 amounts as PA only accepted a 1-time 20% rate increase in 2019 whereas many other states granted multi-year increases at higher levels than PA.

### *3. Of the 37 policies in force in PA, how many were issued after 9-15-2002?*

As stated in the 5<sup>th</sup> paragraph of Section 14 of the Actuarial Memorandum, "Although 8 of the 37 premium paying policies in force in Pennsylvania (21.6%) were issued before September 16, 2002, this filing was constructed as if all policies were under the more conservative Rate Stabilization requirements", which implies that 29 were issued after 9-15-2002.

Hopefully this addresses your concerns with this rate increase filing. If you need additional information, please don't hesitate to ask.

Sincerely,

A handwritten signature in blue ink that reads "Gary R. Hulet". The signature is fluid and cursive, with a long horizontal line extending from the end.

Gary R. Hulet, ASA, MAAA  
Staff Actuary  
United Security Assurance Company of PA  
604 Harbor Circle  
Azle, TX 76020  
407-474-1727